



Nikwax Ltd

Corporate Social Responsibility Report 2011



A misty, tropical landscape with a large mountain peak in the background and dense vegetation in the foreground. The scene is hazy, with a thick layer of mist or fog obscuring the lower parts of the mountain and the surrounding forest. The foreground is filled with various tropical plants, including palm trees and broad-leafed shrubs. The overall atmosphere is serene and somewhat ethereal.

“Don’t blow it – good planets are hard to find.”

– *Time Magazine*



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About Nikwax

Founded in 1977 with the key pieces of equipment being a Primus stove and a Morris 1000 van, Nikwax has grown into the leading supplier of waterproofing and maintenance products for outdoor clothing, footwear and equipment. We have offices in the UK and US and our products are distributed from these locations to over 42 countries worldwide. Nikwax targets the outdoor sports, motorcycling, golf, and equestrian markets, as well as many more, to provide products that will clean, reproof and extend the life of clothing, footwear and equipment in the most technically advanced, but environmentally friendly way possible.

An environmental ethos was central to the philosophy of the company long before Corporate Social Responsibility (CSR) reports, sustainability and 'green' were corporate buzzwords. It was, after all, the very concept of durability and performance that encouraged Nick Brown to develop his groundbreaking waterproofing wax.

As the years passed, Nick channelled his abundant energy into building his company, but never neglected his passion for exploring nature. His first critical environmental decision, whether or not to utilize aerosol sprays for Nikwax, was based on his own sense of duty to the planet, not on profit margins, marketing or future potential earnings. With Nick as the leader and figurehead, environmentally responsible behaviour became part of the Nikwax mission and way of life. Today, Nick Brown is still the Managing Director of Nikwax, an environmental leader in the greater outdoor industry, and Vice President of the esteemed European Outdoor Association for Conservation (EOCA).

Nikwax, as a company, continues the ethos of its founder and systematically challenges itself to not only lessen the impacts of running a manufacturing business, but also to positively contribute to the health of local communities and the preservation of wild places near and far.

With over 30 core products for cleaning and waterproofing, Nikwax continues to lead the way in providing consumers with a complete range of products suitable for protection from all the elements. Our line of products is WaterBased and contains no fluorocarbons or propellant gases. Nikwax is guided by the following core values:

We are PRODUCT-DRIVEN (*building meaningful product/consumer relationships*)

Our products are PERFORMANCE ENHANCING (*providing meaningful, verifiable features/benefits*)

We are ENVIRONMENTALLY RESPONSIBLE (*caring for the planet, minimising impact, increasing awareness*)

Nikwax is a triple-bottom line company, intrinsically valuing and working to support the viability of: the people who make up the company and the people our products serve, the health of the environment, and the current and future profitability of our business. We recognize that the success of these components is inter-dependent and essential to the future of our company.

About This Report

As you read this report, please know that it assumes the following:

- As a company and as individuals we impact our environment. We are not neutral, much less perfect. Our goal is to work toward mitigating the negative impacts and fortifying the positive impacts.**
- We will transparently provide objective numbers, where available. When sharing a philosophical approach to our operation, we will back it up with an example.**
- “Responsibility” is a work in progress, without an end destination. This update is intended to openly discuss where we are in the journey.**

**We welcome questions and feedback. Please find the proper regional contact
At www.nikwax.com or join us on Facebook.**

2010/11 Highlights

As in 2009, 2010 has seen Nikwax further its commitment to and achievements in running a sustainable and environmentally responsible business. It was another pivotal year for Nikwax's environmental and social initiatives.

We don't make decisions for Awards and Achievements; we operate from our own stringent code of environmental ethics and openly recognise there is always room for improvement. Nonetheless, 2010 proved to be a year that further cemented the Nikwax legacy of environmental and social responsibility. Below is a list of the highlights.

2010/11 Highlights

- Nikwax earned OHSAS 18001 certification, a stringent Health and Safety audit that ensures best, existing Health and Safety management practices and pushes continual evaluation for areas of improvement.
- The *Sunday Times* named Nikwax one of the "Top 60 Green Companies in the UK" in both 2010 and 2011 following our previous success in 2009.
- Nikwax partnered a local primary school as part of the creative partnerships programme. For this 2 members of staff spent 10 weeks working with the school to improve the teaching of science using the outdoor environment.
- Nikwax finished runner-up in the category "Most Sustainable Business in the East Sussex Business awards.
- We Completed the fourth full year of our comprehensive Carbon Offsetting programme, Nikwax is carbon-balanced for a total of eight years and counting. We will continue to offset a current year with a previous year for at least the next six years. All offsets are matched with direct donations to the World Land Trust and go toward preserving standing forests.

The Nikwax Team: People

At Nikwax, we strive to provide the best possible work experience to all of our 89 employees located around the globe.

Culture and Guiding Principles:

The structure of the Nikwax organisation is oriented toward continuous growth. Growth is only justified if the organisation has benign features, which seek to achieve the following:

- The provision of products and services that improve the quality of life of the purchasers
- Cultivation of respect for knowledge and expertise
- The growth of individuals within the business in terms of skills, confidence and the ability to take responsibility
- Encouragement of innovation and creativity at all levels of the organisation
- A responsible approach to environmental issues
- The application of the above principles wherever possible to those both directly and indirectly employed by Nikwax

Employee Benefits:

We appreciate the time and dedication we receive from our team members, and it is our goal to reciprocate by providing a healthy workplace that fits into a balanced life. At Nikwax, we offer a wide variety of benefits to aid our employees in developing their careers and enriching their professional lives. We provide:

- A strong health care plan for our employees and their families, as well as ample Holiday time
- Clear pathways to apply for role-specific training to transition and grow within the organization
- Access to personal pension plans (UK)
- Annual grants for continuing education
- Rewards for time spent volunteering

Environmentally Focused Employee Benefits

Nikwax prides itself on our sustainability practices and passion for taking care of the environment. It is an ethic firmly rooted in the founding of the company and must be applied in broad-reaching practice. We support our team members' desires to lead more enriching, environmentally responsible lives.

Whenever feasible, meetings conducted between our UK and US offices are in a virtual setting, allowing us to drastically reduce our carbon footprint, save money on air travel, and prevent our employees from having to leave their families for extended periods of time.

We encourage car-sharing programmes.

We have established a bike-to-work financial incentive, which encourages less driving, more exercise and a little extra pocket money.

Our Commitment to Our Local Communities

Nikwax is highly motivated to contribute to our local communities around the world.

Case Study (UK): One of the greatest achievements we have attained is in our work with local schools. A strong foundation in the sciences is an integral part of contemporary education, and Nikwax is committed to facilitating this goal. We have worked closely with a local primary school to enhance their ability to provide the best instruction in the environmental sciences. Nikwax scientists have visited local secondary schools to give talks on the sciences, as well as health and safety in the workplace.

Our Commitment to Our Retailers/Distributors

The retail community is an integral link to our consumers. We take pride in ensuring their success, by consistently delivering high sell-through, extraordinary sales per square foot and an effective product their customers can rely on.

In Europe and the UK, Nikwax leveraged its close association with our distributors by raising money for the European Outdoor Association for Conservation at the summer tradeshow in Friedrichshafen.



In the US, Nikwax is a member of the Outdoor Industry Association's Eco Working Group, working to establish industry standards for environmentally responsible outdoor products, and is the preferred aftermarket care supplier for the Grassroots Outdoor Alliance, a retail buying group dedicated to 'green' products and giving a share of their profits to environmental causes.

The Green Retailer Project

Nikwax is recognising retailers who consider the environment in running their business. Our Green Retailer scheme encourages all our retailers to highlight their environmental efforts and achievements.

All our current Nikwax retailers were sent a questionnaire in November 2010 about their environmental practices and commitment. Questions covered environmental policies and systems in place, energy supply, carbon 'footprint' and recycling streams as well as giving retailers a chance to list other initiatives that they've undertaken with a positive environmental impact

Companies that met the minimum score rating are recognised as Green Retailers and can display the Green Retailer 2011 logo. All those that applied have been given practical advice and pointers on how to reduce their environmental footprint

For more information and to see who are our current Green retailers Please visit:

<http://www.nikwax.com/en-gb/promo/index.php?activity=GREENRETAILERS>

Environmental Ethos: Planet

Nikwax will never claim to be environmentally benign; Consequently, our mission is to consistently strive to improve our environmental record, seek out areas to lessen our negative impacts and strengthen the positive. The last 2 years have seen us make great progress in our green initiatives. We are proud of our environmental accomplishments, and even more proud that we intend to further these initiatives over the coming years.

Manufacturing and Operations

Over the last few years Nikwax has made great efforts in streamlining business processes to enable us to meet our environmental targets.

Changes in Operational Processes:

- **Our Seattle offices are 100% wind-powered, allowing for green energy to power them all year long.**
- **Electricity in the UK, both at our offices and manufacturing plant, is purchased on renewable energy tariffs.**
- **As of September 2009, 95% of our energy is generated from renewable resources, with our ultimate worldwide goal being 100%.**

Manufacturing and Operations

Changes in Manufacturing Processes:

- We've re-engineered several procedures to use cold water, instead of hot, to forgo the energy required to heat the water.
- We've improved the efficiency of the filling and packing equipment by implementing a pneumatic, compressed air system with variable speed compressors that more effectively regulate energy usage.
- Our Original Nikwax wax product has been re-formulated to remove contents we consider harmful to the environment.
- The new Waterproofing Wax for Leather Cream is now water based instead of Solvent based bringing the entire Nikwax product line to a higher standard.

Changes in Packaging:

We have reduced the weight of our 300 ml plastic bottles from 42g to 33g, making for 20 tons less plastic being used.

Changes in Shipping:

We have engaged our buyers to aid in our waste reduction and energy savings efforts. We encourage our retailers to purchase larger volumes of product to reduce the amount of packaging materials used and considerably lessen the waste involved in the shipping process.

Waste Management

- In 2007, we expanded traditional recycling efforts to include: paper, cardboard, glass, soft plastic, hard plastic, cans, batteries, fluorescent light bulbs and electrical equipment. 2010/2011 saw the continuation of these comprehensive recycling efforts as well as the inclusion of all our waste water being sent for being incorporated into a process that turns waste into fertiliser.
- We also offer our extensive recycling facilities to all staff as we recognise that as many employees are based in a rural areas not everyone is able to access local recycling facilities.

Energy Reduction



Nikwax has taken great strides in reducing energy usage throughout all of our operations

- We've added insulation to various buildings and double-glazing to various windows in UK sites
- In 2006 we reduced gas consumption for heating by 60% at our primary packing and filling building by installing an insulated, suspended ceiling and upgrading the gas heating system.
- PCs are now shut down at night, thanks to a solid back-up system.
- Monitors automatically enter power save mode when not in use.
- All screens have been updated to LCD, which requires less energy.
- We've hung posters reminding people to turn off lights when not in use.
- We've replaced skylights in a manufacturing area to allow more natural light in.
- We offer monthly staff training on environmental awareness and reducing energy consumption.

Figures

Many of our efforts build on each other and, as can be seen in the following tables, we are registering noticeable year-on-year drops in the amount of electricity and gas involved with our operations, including: research and development, operations, manufacturing, filling, shipping and distribution in relation to company output.

Figures

Energy Usage against Nikwax Sales		
Total Electricity KWH per £ sales 08/09	0.059216	
Total Electricity KWH per £ sales 09/10	0.0551123	6.9% reduction
Total Gas KWH per £ sales 08/09	0.02437	
Total Gas KWH per £ sales 09/10	0.024088	1.1% reduction

Charts show how Nikwax has decreased energy consumption in relation to sales and units produced.

Energy Usage against Litres Manufactured		
Total Electricity KWH per Litre Manufactured 08/09	0.370854	
Total Electricity KWH per Litre Manufactured 09/10	0.3341614	9% reduction
Total Gas KWH per Litres Manufactured 08/09	0.152626	
Total Gas KWH per Litre Manufactured 09/10	0.1460526	4.3% reduction

Energy Usage against Litres Filled		
Total Electricity KWH per Litre Filled 08/09	0.405806	
Total Electricity KWH per Litre Filled 09/10	0.3695497	8.9% reduction
Total Gas KWH per Litres Filled 08/09	0.167011	
Total Gas KWH per Litre Filled 09/10	0.1615199	3.2% reduction

Carbon Emissions and Offsetting

As with all resources, we favour reducing emissions to purely offsetting them. To that end, we have made great progress in reducing our carbon footprint. We have worked on every aspect of our business to ensure the most efficient use of resources. (See also “Energy Reduction Efforts.”)

Carbon Reduction Efforts include:

- Suspending and insulating the ceiling in the main production building.
- Installing more efficient gas boilers.
- Replacing old light bulbs with new, more efficient bulbs.
- Switching to ‘green,’ renewable energy.
- Replacing new equipment as necessary and as able with greater efficiency models.

Carbon Offsetting

Since 2007, what we have not yet been able to mitigate, we have offset through the World Land Trust carbon-offsetting programme. With the goal of eventually being carbon-balanced for the entirety of our existence, we offset a current year plus a previous year, and will continue to do so for at least the next six years. To date, Nikwax has been carbon balanced for Eight years and counting. We match every pound spent in offsets with a donation to the World Land Trust to aid in preserving still pristine forests.

For more information about the World Land Trust please visit their website:

www.worldlandtrust.org

CO2 Emissions

What follows is a chart we keep to measure our progress in reducing carbon emissions. This is shared company-wide so that all our team members can be actively involved in the broader mission. Our CO2 emissions (in tonnes) for the '08/'09 and '09/'10 financial years may be viewed below.

Month	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09
Electricity	2.2	3.7	4.2	5.4	4.8	5.6	4.9	4.4	3.5	0.4	0.3	0.3
Gas	0.4	1.0	3.3	3.4	6.7	5.5	5.5	3.6	1.7	1.1	0.5	0.3
Vehicles	5	4.39	4.11	3.41	3.69	2.62	4.76	4.14	3.05	4.08	4.9	2.94
Total CO2 Output	7.5	9.1	11.6	12.3	15.2	13.7	15.2	12.2	8.3	5.6	5.7	3.6

Month	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10
Electricity	0.3	0.4	0.4	0.5	0.5	0.5	0.7	0.6	0.5	0.4	0.4	0.4
Gas	0.2	0.4	2.0	4.3	6.1	9.8	7.4	6.5	3.1	1.8	0.5	0.2
Vehicles	2.95	3.05	5.17	2.82	4.38	3.78	2.92	3.61	3.27	2.43	2.63	1.85
Total CO2 Output	3.5	3.8	7.6	7.6	10.9	14.1	11.0	10.8	6.9	4.6	3.5	2.4

2010/2011 Targets

Target	Progress
<ul style="list-style-type: none"> Reduce waste to landfill by 10% 	Currently no increase or reduction shown, plans being formed to address this
<ul style="list-style-type: none"> Increase Plastic and Cardboard sent for recycling by 10% 	All card and plastic recycled, however a reduction in packaging received into the company means target may not be achieved.
<ul style="list-style-type: none"> 80% of staff to have received Environmental Awareness Training 	On Target
<ul style="list-style-type: none"> To maintain a 0% increase in Carbon output compared to growth 	Target expected to be achieved.
<ul style="list-style-type: none"> CO2 emission for current year and past year to be annually offset by the World Land Trust 	Completed
<ul style="list-style-type: none"> Decrease energy usage by 5% in relation to turnover 	Currently showing an increase in both Gas and Electricity usage in relation to turnover.

Assessing Suppliers

Nikwax looks to favour suppliers who share our belief about sustainability. We recognise that a life cycle analysis of our products must include source materials, for both operations and manufacturing. We have developed a scoring system that allows us to rank suppliers in terms of sustainability. This is done by scoring suppliers in different areas such as:

- Carbon Emissions
- Environmental systems in place (such as ISO14001)
- Waste management initiatives
- Energy saving initiatives
- Previous environmental law breaches

The information on this is gathered via an online questionnaire which all suppliers are asked to fill in annually. Once the scoring is completed suppliers are graded and this grade is used as part of our purchasing process.

Research and Development

Our commitment to addressing the challenges of sustainable development are supported by key goals that set direction and clear targets for our company and product line. We are constantly looking at ways of both improving the performance of our products and making them more sustainable. This is best demonstrated by the launch of the new version of our original Waterproofing Wax product in 2009. This product is both better performing and more sustainable than its predecessor.

Sustainable Growth

A key element of our cultural statement is to maintain a high level of profitability. All of our efforts mean nothing if we cannot keep our team employed, contribute to the success of our distributors and customers, and deliver a high performing product to our consumers. In other words, we are only of value to our stakeholders if we stay in business.

Nikwax is a privately owned, limited company. We are proud to say that coming to the end of our 33rd year in business, we are successfully growing our sales, making our budgets, keeping Nikwax affordable for consumers, and maintaining solid profit margins for our customers. We believe this is due to consistently delivering the best performing products on the market. It is also a testament to our commitment to operating in a socially and environmentally responsible manner.

Contact Us

If you would like further information on any of the content of this document then please contact us at either of the below addresses. More information about Nikwax can also be found on our website: www.Nikwax.com

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